



Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: January 28, 2015

To: Committee Chair Elizabeth Glidden and Vice Chair Alondra Cano

Referral to: Intergovernmental Affairs

Subject: 2015 Legislative Policies

Recommendation: Amend the Policies to Enhance Community Stabilization and Strength section (page) by adding at the end of the section the following:

- **Support legislation that amends statutes related to housing warranties and common interest communities so that individual property owners and common interest communities have a similar process to remedy warranty issues.**

Department Information

Prepared by: IGR Staff

Approved by: _____

Presenters in Committee: Gene Ranieri

Supporting Information

The city has over the past few years experienced a construction boom. From 2012 to 2014 the city recorded more than \$1.0 billion annually in construction projects based on the value of building permits issued for the year. In 2014 the city recorded a building permit construction value of \$2.0 billion.

Of the approximately 4500 residential multifamily units issued building permits in 2013 and 2014, almost all were for rental apartments. The lack of new owner occupied multifamily housing built can be attributed to several factors including market conditions and the reluctance of builders to invest in owner occupied multifamily buildings. The reluctance stems from the rising number of legal actions brought by common interest community boards against the builder and sub-contractors.

To increase the number of available owner-occupied multifamily projects being constructed statutory amendments will be needed. Possible legislative remedies include but are not limited to amendments to require more transparency and notice be given to members prior to legal action against builders and the application of current alternative remedy procedures to multifamily, owner-occupied housing.